

**MINUTES OF THE MEETING OF THE
SENATE COMMITTEE ON FINANCE
AND
ASSEMBLY COMMITTEE ON WAYS AND MEANS
SUBCOMMITTEES ON GENERAL GOVERNMENT**

**Eighty-second Session
February 23, 2023**

Chair Dina Neal called the joint meeting of the Subcommittees on General Government of the Senate Committee on Finance and the Assembly Committee on Ways and Means to order at 8:17 a.m. on Thursday, February 23, 2023, in Room 2135 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4412E of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

SENATE SUBCOMMITTEE MEMBERS PRESENT:

Senator Dina Neal, Chair
Senator Dallas Harris
Senator Pete Goicoechea

ASSEMBLY SUBCOMMITTEE MEMBERS PRESENT:

Assemblywoman Sarah Peters, Chair
Assemblyman C.H. Miller, Vice Chair
Assemblywoman Shea Backus
Assemblywoman Tracy Brown-May
Assemblywoman Heidi Kasama
Assemblyman P.K. O'Neill

STAFF MEMBERS PRESENT:

Wayne Thorley, Senate Fiscal Analyst
Brody Leiser, Chief Principal Deputy Fiscal Analyst
Yuriy Ikovlev, Program Analyst
Paul Breen, Committee Assistant
Dee Chekowitz-Dykes, Committee Secretary
Michelle Friedlander, Committee Secretary

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OTHERS PRESENT:

Jack Robb, Director, Nevada Department of Administration
Daniel Marlow, Administrator, Administrative Services Division, Nevada
Department of Administration
Matthew Tuma, Deputy Director, Nevada Department of Administration
Mandee Bowsmith, Administrator, Division of Human Resource Management,
Nevada Department of Administration
James Gast, Administrator, Mail Services Division, Nevada Department of
Administration

CHAIR NEAL:

We have four budgets for the Nevada Department of Administration.

JACK ROBB (Director, Nevada Department of Administration):

Slide 2 of the Nevada Department of Administration's presentation ([Exhibit C](#)) is the Department's leadership team. We need to update the organization chart since our senior appeals officer recently retired.

The Department's mission stated on Slide 3 of [Exhibit C](#) is to deliver transparent internal government services. We plan and maintain critical State infrastructure and the security of State processes. We also equip State agencies and employees to support Nevada's needs. Our goals are to improve transparency with internal services, support positive workplace culture and staffing expertise, as well as provide responsive customer service and ease of access for customers, agencies, employees and the public.

The Department of Administration Director's Office is extremely lean. It supports 11 divisions, 595 Department employees and the Nevada Commission on Women. The Director is Chair of the Public Employees' Benefits Program (PEBP) and an executive member of the Silver State Modernization Approach for Resources and Technology in the 21st Century (SMART21) Committee. The Director also serves as a member of Nevada's State Public Works Board, Information Technology Advisory Board and Committee to Improve Schedules and Retention for Deposition of Official State Records.

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The base budget for budget account (B/A) 101-1337 continues funding for five employees. Slide 4 of [Exhibit C](#) lists decision unit E-710 for standard computer replacement in the amount of \$1,860 for fiscal year (FY) 2023-2024 and \$9,300 for FY 2024-2025.

FINANCE AND ADMINISTRATION

ADMINISTRATION

Administration - Director's Office — Budget Page ADMIN-4 (Volume I)
Budget Account 101-1337

E-710 Equipment Replacement — Page ADMIN-6

DANIEL MARLOW (Administrator, Administrative Services Division, Department of Administration):

The Administrative Services Division (ASD) provides fiscal and accounting support for a wide range of agencies. As shown on Slide 6 of [Exhibit C](#), it is a small office divided into four sections. We have our Administrative Services Officer (ASO) III overseeing the analysis and procurement section. Analysis provides Statewide Cost Allocation Plan data management, Statewide billing and much of the support for the rate development. The procurement team procures goods and services for all our client agencies. The ASO III manages the accounting and Capital Improvement Program (CIP) section. They provide invoice processing, journal voucher entry, accounts receivable and billing for services. Our CIP team provides the backbone for the Nevada State Public Works Division and agencies operating under the CIP. Our ASO II provides budget support through budget analysis for our client agencies. We also have administrative staff. It is a small division of 32 full-time equivalent employees (FTE) positions.

Our client portfolio is vast, as Slide 7 of [Exhibit C](#) illustrates. The size of the box represents the number of budget accounts, not the allotted dollars. Clients include Constitutional offices under the Office of the Governor, some in the Office of the Lieutenant Governor's proposed agencies, the Department of Administration and the CIP.

The graph on Slide 8 of [Exhibit C](#) illustrates the revenue funding sources for the Executive Budget accounts we support. The vast majority is slated for interagency transfers which are the internal service funds through the billings. Other funds come from fees and general collection. General Fund appropriations supply 4 percent, and 1 percent comes from federal funds.

Our fiscal responsibility is separated into two different aspects, as shown on Slide 9 of [Exhibit C](#). We have our \$1.3 billion operating budget. The executive portion covers 53 budget accounts across 10 agencies, including departments, constitutional offices, boards and commissions and about \$1 billion in Executive Budget expenses. The nonexecutive section includes 19 budget accounts across six agencies with the authority of \$33 million.

The CIP has a proposed budget of \$1.5 billion. There are 20 budget accounts, 5 of which are bond custodial accounts after the Seventy-eighth Legislative Session change. This also includes \$21 million for 2019 CIP project extensions, approximately \$336 million for 2021 continuing CIP projects and the proposed \$1.2 billion for 2023 projects in the CIP.

Slide 10 of [Exhibit C](#) shows the work programs we process each calendar year, just one metric of our office workload. Over the years that has continuously grown. The lines on the graph represent our staffing. The orange line indicates our overall FTE decreased by one in 2018. The blue line is our budget account staff. Positions similar to chief financial officers for the agencies we support increased by one in 2016 and remained constant ever since. We had a massive increase in workload with all the different agencies coming on board but without a change in staffing.

There are two enhancements for B/A 716-1371. Decision unit E-245 requests adding licenses for the document management system. Decision unit E-710 funds the standard replacement of computer hardware and associated software.

Administration - Administrative Services — Budget Page ADMIN-12 (Volume I)
Budget Account 716-1371

E-245 Efficiency and Innovation — Page ADMIN-14

E-710 Equipment Replacement — Page ADMIN-15

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Decision unit E-240 in B/A 716-1371 funds an additional accounting assistant III and management analyst III within the capital improvement team.

E-240 Efficiency and Innovation — Page ADMIN-14

We are working with the Office of the Governor, Office of Finance (GFO) on adding staff to support the final CIP size along with staff to support potential new client agencies on the operating budget. To date, nothing has been finalized.

ASSEMBLYWOMAN BACKUS:

What is the Agency's plan to address the insufficient reserve levels in this budget for the 2023-2025 biennium?

MATTHEW TUMA (Deputy Director, Nevada Department of Administration):
Are we referring to B/A 101-1337 or B/A 716-1371?

ASSEMBLYWOMAN BACKUS:

We are talking about B/A 101-1337.

MR. TUMA:

The reserve level is a little low in the Executive Budget. As a normal part of the process, we will work with the GFO and Legislative Counsel Bureau (LCB) to rerun the cost allocation to ensure there is an appropriate amount of reserves in that budget account.

ASSEMBLYMAN MILLER:

I have questions regarding the requested enhancements in B/A 716-1371. Can you provide some context on how the financial management and oversight of CIP projects will improve and ensure the accounting and reporting requirements are completed promptly with the new management analyst and accounting assistant positions?

MR. MARLOW:

With our CIP, the consequence of errors is significant. There are large amounts of public money that involve the public's trust. Having ASD involved is integral for overall management. We have 4.5 FTE for the CIP. That translates to

one position and one person at each level, one person for data entry, one for review and approval of the entry, one person for contract processing and one person for management. All \$1.5 billion is processed by one data entry person. The administrative assistant III adds a second person as a backup should our existing staff member take a vacation. I have no one capable of handling the task because of the capital improvement program's complexity. We get an invoice from the vendor for most of those transactions. We cannot simply just pay that invoice.

Since the 2015 Seventy-eighth Session, we no longer have a pot of cash to simply pay it. We have to conduct revenue transactions to expend the funds in accordance with the *Nevada Revised Statutes* (NRS) 341.146 order to spend. If a project has four different funding sources, we have to understand those funding sources, know which must be processed, complete revenue transactions to receive the cash, monitor for when that comes in and then pay the invoice.

The accounting assistant III will provide data entry support needed to meet the 30-day requirement under NRS 338 for the 30-day payment. The management analyst III will assume many of the transactional duties performed by the management analyst IV so that person can focus on the overall management of the capital improvement program, especially the bond aspect. The management analyst III will oversee accounts payable and accounts receivable, focusing on contract review to ensure the revenue transactions are completed and meet the 30-day timeline.

ASSEMBLYMAN MILLER:

Can you provide some detail on the document management system you are looking to bring online? How far along in the process are we? Is it an off-the-shelf system?

MR. MARLOW:

Our intent regarding the document management system is to procure licenses on the potential Statewide application. There is a system through Nevada State Library, Archives and Public Records (NSLAPR) called OnBase. There is a decision unit requesting to transfer that to Enterprise Information Technology Services. Whatever the system, we intend to use the service and maximize the

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economies of scale to avoid paying extra for different modules and start-up costs. We would only buy user licenses to allow us to manage Statewide billings and facilitate all of the document transfers rather than interoffice mail or manually emailing all those out.

To reiterate, it is simply for the user licenses for whatever that overall system is instead of spending extra funds to purchase our own billing system.

CHAIR NEAL:

We will move on and review B/A 717-1363 and B/A 713-1346 together.

Administration - HRM - Human Resource Management — Budget Page
ADMIN-80 (Volume I)
Budget Account 717-1363

Administration - Mail Services — Budget Page ADMIN-91 (Volume I)
Budget Account 713-1346

MANDEE BOWSMITH (Administrator, Division of Human Resource Management, Nevada Department of Administration):

The structure of the Division of Human Resource Management (DHRM) is on Slide 14 of [Exhibit C](#). At the top is an administrator, then four main teams. Human resources (HR) services is comprised of 38 full-time employees and oversees recruitment, selection and onboarding. They act as an HR agency, supporting departments and divisions without a designated HR department. We handle recruitment, onboarding and training. This is also where the classification program resides.

Employee and Labor Relations consists of 17 full-time staff who assist employees Statewide with grievances under Nevada Administrative Code (NAC) 284. They also work with the collective bargaining agreements and are in negotiations for a successor agreement for those bargaining agreements. This group also runs the Employee Management Committee and supports the DHRM Personnel Commission.

The Organizational Change and Development Group has 14 full-time employees. It houses the Office of Employee Development and our high-level leadership

training. We are very proud to have the Certified Public Manager Program, now with its nineteenth cohort. It also administers mandatory training on drugs and alcohol for both employees and supervisors, sexual harassment prevention, and defensive driving.

Our Central Payroll Records and Compensation function oversees how most Statewide employees get paid. This is also where central records are housed, and the Nevada Deferred Compensation Program is run. In the 2023-2025 biennium, we will update Chapter 284 in both the NRS and NAC. In 2022, the DHRM retained an outside HR consultant to perform an NRS analysis.

Based on the consultant's work and recommendations, and in light of the Governor's Executive Order 2023-002, we are moving forward with the proposed changes to NRS 284 pursuant to the State's personnel program. These changes have been drafted for review and consideration by this Legislative Body. If the changes are approved, we will update and streamline NAC 284. Our goal is to bring Nevada's human resources program into the twenty-first century. We want to innovate, update and streamline the process, making it more efficient and effective for departments and divisions to handle recruitment and selection.

We have big projects on the horizon. We have plans to collaborate with the Office of Project Management to implement a new human resources information system (HRIS). Because we are undertaking NRS and NAC 284 changes, we are developing and implementing a new HR certification program. We will train HR staff, departments and divisions to apply HR best practices consistently and effectively to their recruitment and selection, creating consistency across the State.

We are developing an HR business partner program. State agencies will have an HR business partner assigned to them, providing a single point of contact to help them with any questions or concerns they might have on HR matters, particularly those involving recruitment and selection.

In light of information received from the consultant and the Governor's Executive Order, we will attempt to undertake a Statewide classification study. This study will likely produce changes to the current 1,181 State of Nevada job

classifications. Such changes would include removing entry barriers for candidates and making sure that our minimum requirements are up to date and relevant. Some job classifications have been the same for 20 years. This requires an in-depth, comprehensive review, and we intend to do that during this biennium.

We intend to do a comprehensive compensation program review and update. We want to put forward a new pay philosophy for the State that encompasses the things the Legislature is looking for in our compensation package. With this, plus the information and feedback we are receiving from departments, divisions and this Body, the resulting program will look very different from the current one.

The enhancements requested in this biennium are on Slide 17 of [Exhibit C](#). Decision unit E-226 in B/A 717-1363 requests to eliminate three positions. This is not because we do not need them, but because we cannot fill these positions at their current specifications and grade. The position responsibilities are very important, and we want to make sure our highest-level analysts are in charge of Title VII of the Civil Rights Act of 1964 and sexual harassment discrimination investigations.

E-226 Efficiency & Innovation — Page ADMIN-83

We have moved, and hope to continue to move, towards a more generalist model by assigning analysts to conduct the investigative work. The elimination of these three positions is because we cannot fill them and my preference to have the analysts perform the tasks.

We also have decision unit E-125 in B/A 717-1363 for increased travel and training to support outreach recruitment specifically in the areas of labor relations and our veterans program.

E-125 Economic Opportunity & Skilled Workforce— Page ADMIN-82

We are also working with the GFO on potential budget amendments, including restructuring the DHRM to help us move toward the generalist model more effectively. It considers the eight positions we were given to support the HRIS,

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and the processes required to keep the Human Resources Advantage System up and running during implementation. We want to make those positions permanent so we can effectively continue operations.

CHAIR NEAL:

We will proceed with B/A 713-1346 and then take questions for both.

JAMES GAST (Administrator, Mail Services Division, Nevada Department of Administration):

The Mail Services Division provides timely, secure and dependable mail services to participating State and local government agencies while ensuring compliance with U. S. Postal Service (USPS) regulations. We provide services to Reno, Carson City and Las Vegas including pickup; processing; and delivery of outgoing mail, such as overnight and interoffice mail to and from the Carson City and Las Vegas locations without using USPS. The Carson City location also handles production services such as folding, inserting, address validation and bulk mailing for customers and many agencies such as the Nevada Department of Employment, Training, and Rehabilitation, welfare supportive programs, re-certifications, Nevada Department of Motor Vehicles (DMV) titles and license renewals.

Our Division was established in July 2021. Before that, we were under the NSLAPR. The move was to focus more on efficiency, innovation and the Division's unique functions under a designated administrator. I am responsible for the overall operation of the Mail Services Division, planning, coordinating and managing services and activities in accordance with legal and regulatory requirements. I make decisions that significantly impact the State's Mail Services Division, authorize overtime, look at temporary staffing solutions based on workload and determine the process required to achieve results within resource constraints. In total, we have 21 full-time staff, with 6 in Las Vegas. The Las Vegas operation is much smaller because they do not handle any of the mail services processing aspects involved in mass jobs such as folding, inserting, address validation and others mentioned earlier. Their services are limited to picking up mail from Las Vegas offices and sending it directly to the post office.

We have made improvements to daily operations since becoming a separate division. We closely collaborate with many divisions and available resources. We provide all agency memos to our customers regarding rate increases, delays and changes because of USPS regulations. We improved customer service through oversight, communication and accountability—which goes hand-in-hand with all agency memos. We are readily accessible to our customers should they have questions about billing or what services we are capable of providing them. We worked to improve daily operations in property disposition. Much of the Mail Services equipment was beyond life, including mailing equipment and outdated computer systems.

We have worked with Nevada State Library Services Record and Retention Unit to dispose of any records past the retention schedule and cleaned up some clutter to get them properly stored. We have worked with Enterprise IT Services (EITS) to address program and operating system (OS) cybersecurity concerns resulting from noncompliance. We were using an OS older than Windows 10 and have been working to upgrade all outdated software. We have been collaborating with ASD, purchasing, Buildings and Grounds, HR Services, LCB and EITS to make sure we are taking actions appropriately, as described by policy and regulations, to ensure staff is up to date on mandatory training and receiving timely performance evaluations. Leadership staff has taken professional development classes outside the required training to help improve professional development.

We developed accounting procedures for customer billing not previously in place. We performed small-scale audits to ensure agencies are receiving or paying for service. There are many buildings with multiple customers in one office. Where piggybacking is common, we addressed it to make sure they are participating in rate calculations.

Since becoming a Division, we established a uniform and address policy. Staff is now outfitted with a Mail Services uniform. This became an issue during the pandemic, but it was always a concern of mine. Mail Services people are picking up mail from the Department of Public Safety, Division of Parole and Probation and the Supreme Court, all of which contain personally identifiable and confidential information. It is good to have easily recognizable staff entering

these places, so customers know the people they are handing their mail to. We also worked with ASD to create a billing tracking system through SharePoint.

The system we inherited in July 2021 was running on Windows XP OS and was ready to crash at any moment. We transferred that to a more modern solution. We created a Division vehicle policy and worked with ASD to revise rates for services based on an updated labor allocation analysis.

We also worked on a program to update our mailing equipment. The State owns most of the Mail Services equipment that was 15 to 25 years old. Some of that equipment was forcing us to use an older OS to ensure compatibility. We have been working to replace all of those with modern solutions and are switching to a leasing model or purchasing outright, where appropriate, to accommodate the large workload our machines were forced to handle. Due to the wear and tear, many of our machines are not worth owning. Quite a few springs, conveyor belts and rollers wear down and need to be replaced. Leasing a model allows us to easily replace the equipment after the term. Regardless of the duration, we can tell the vendor to swap the old one for a new model.

With millions of pieces passing through our systems, one of the many benefits of new systems is eliminating redundancy. For example, we have two screens the operators use, and each requires network cables and two keyboards to function. These newer machines cut down on all that redundancy and use a new, cloud-based software called SendPro Analytics. We started to dabble in it over the past couple of months, and it has been very beneficial.

Our old software was tied to a specific computer. The new software is accessible by anybody, anywhere as long as you have the password credentials. It also provides analytics such as postage savings reports allowing us to identify mail classes, priority packages or if mail has gone through an automation process for a discount. We can now break down those analytics for customers or whoever may ask for that type of information. It will also help with our overall performance measures and specific aspects of those measures. We are excited about the software improvements that were made and that we continue to move towards.

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Slide 26 of [Exhibit C](#) contains our budget enhancements. Decision unit E-249 in B/A 713-1346 is related to the additional costs associated with the newly established uniform policy. It includes three shirts with Mail Services Division and the State logo on them. New employees will receive three shirts and then one new shirt every year.

E-249 Efficiency & Innovation — Page ADMIN-93

Decision unit E-251 in B/A 713-1346 reestablishes the annual transfer of equipment depreciation amounts and corresponds with decision unit E-251 in B/A 713-1347.

E-251 Efficiency & Innovation — Page ADMIN-93

Administration - Mail Services — Budget Page ADMIN-96 (Volume I)
Budget Account 713-1347

E-251 Infrastructure, Energy & Environment — Page ADMIN-97

Decision unit E-710 in B/A 713-1346 funds the standard replacement of computer hardware and related software.

E-710 Equipment Replacement — Page ADMIN-94

Decision unit E-225 in B/A 713-1346 funds five Adobe Acrobat Pro licenses. This will allow us to modify documents, work with contracts and invoices as well as build similar types of documents.

E-225 Efficiency & Innovation — Page ADMIN-93

CHAIR NEAL:

We take questions for B/A 717-1363, then B/A 713-1346.

ASSEMBLYWOMAN PETERS:

I presented A.B. No. 365 of the 81st Session to address some concerns I was hearing from State employees who felt they were not being heard. I would like

an update on how that is interplaying with some of the other work the DHRM is doing or if it is on hold until the SMART21 system is live.

Ms. BOWSMITH:

We started to overhaul the existing system under NAC 284 for complaints and employee grievances. Part of the responsibility is on us to train employees so they know where they can go for these kinds of things. We have not done a good job of that. Many employees had no idea they had recourse or an avenue available to file a complaint or grievance, or a way to get something resolved. Because recently instituted collective bargaining established very prescribed grievance and complaint processes, we are working to update the NAC 284 process.

We want to mirror the collective bargaining agreements (CBA) processes for NAC 284 because they are more efficient and more effective. Part of our electronic reporting system for complaints and grievances is on hold due to updates with the new Systems Applications and Products System. We have a much more user-friendly module launching than what is currently in place. Part of the HR certification program I spoke about in my presentation will include training for HR professional staff in departments and divisions on how they can teach and help employees understand where they can go to make complaints, file grievances or get access to a mediation program offered to all State employees, across all departments and divisions. It has been successful in DHRM. We are trying to use those avenues more effectively.

ASSEMBLYWOMAN PETERS:

It is important employees feel like they have recourse and are being heard in a variety of situations, not just the most egregious ones.

Regarding the Executive Order to address the challenges in recruiting and retaining employees, the Interim Finance Committee (IFC) approved an analysis of recruitment and retention. I understand we are moving through the phases, but can you talk about how the work with the Simmons Group will incorporate some of the Executive Order?

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Ms. BOWSMITH:

We put forward a work program in 2022 to retain the Simmons Group to perform an in-depth analysis of NRS 284 and NAC 284. As you said, we have been working on this for a while and the reason for this is the need to update our Human Resources Program. We needed an outside perspective. When we serve and are employed by the State, we sometimes cannot see the forest for the trees with regard to things that need to be changed or possible barriers to entry. We hired an external third party to perform that analysis so we can get good data. Then the Executive Order was issued, and we were pleased to be a little ahead by having already brought on the Simmons Group.

Director Robb held a workshop with some key staff from departments and divisions and we received feedback regarding the barriers with NRS 284. This is what we will put forward with the proposed changes resulting from the Executive Order and what the Simmons Group provided. We then intend to streamline our regulations. That includes looking at NAC 284 involving the processes, the system itself, how we run the system and more. It is a big undertaking for my team. We are excited to receive some analysis results from the Simmons Group this afternoon and will provide you an update on their recommendations soon.

Nevada will experience quite a few growing pains because the State is used to doing things the way it always has. We hope we can streamline things to make them more effective and easier for departments and divisions to hire people.

MR. ROBB:

Ms. Bowsmith spoke about a workshop held about three weeks ago in which the Simmons Group participated. After the Executive Order was issued, I sent an email to all agencies asking for staff on the ground or at a high level experiencing hiring issues to come together for a brainstorming session. I received an overwhelming response, with over 85 people expressing interest. Unfortunately, that would have been too large a group to have a constructive meeting. It was all day, 8 a.m. to 5 p.m. There were 20 of us, along with the Simmons Group, who went through NRS 284 solely focusing on recruitment and retention. We did not focus on items many thought needed to change to simplify some processes. When we were finished, we compiled all those notes and sent them to the original 85 who signed up. They, in turn, sent us

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additional feedback. We then created the final draft now sitting in the Office of the Governor that will be included in the upcoming bill.

It is widely supported by agencies and agency staff Statewide. As a former deputy director of another agency, a customer of human resources and other Department of Administration services, I know things need to change so we can be more efficient and better serve the public.

We will bring forward, with help from the Simmons Group, our recent workshops and all the outreach we have done, a product that will change the way we do business. It will simplify processes, help us retain employees and provide other avenues to recruit.

ASSEMBLYWOMAN PETERS:

I love what I am hearing, and I look forward to seeing the final bill draft request.

We heard from PEBP that a survey was conducted, but surveys are only as good as the questions that are asked. It sounds like this might be a better resource for gaining a better understanding of what is going on within the State agencies.

The extent of your undertaking and the pressure on your office brings me to my follow up question regarding your compliance officers. I realize your Division probably employs staff other than those working on investigations. With decision unit E-226 in B/A 717-1363, you are willingly giving up three positions. Do you truly believe the workload can be managed by the remaining staff? Should we consider adjusting those positions to make them more sustainable with a class increase or something similar? Would it be feasible to relinquish one instead of all three? What is the overall workload like and the need in your Division for that workforce?

MR. ROBB:

We are looking at the staffing of DHRM and some of the functions in the NRS and NAC 284 updates. Some of this work will go back to agencies' subject matter experts or the agency that can help with the HR process rather than going through DHRM to determine whether an individual qualifies. That was taxing on DHRM in the past. The updates to NRS 284 and NAC 284 would put

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many of those functions back on the agencies and change the structure and function of the DHRM. I think we are staffed at the level to make the changes we need going forward.

ASSEMBLYWOMAN PETERS:

Will that include the removal of these three positions?

MR. ROBB:

Yes, it includes the removal of those three positions.

CHAIR NEAL:

It is my understanding the compliance investigators were supposed to help with retaliation, sexual harassment and other things within their scope to investigate. Your testimony mentioned complaints were lost or not filed before they came on board. Is that correct?

How many complaints involving retaliation or sexual harassment have been received versus how many were lost because of processes or some type of disruption? I do not understand what the disruption was or why an employee who may have felt they potentially had a retaliation claim would not file or move forward with it. Please clarify.

Ms. BOWSMITH:

To clarify, no claims were missed or not filed. When talking about making it easier to file, some employees are not aware they have an avenue open to them. When we get a claim for the sexual harassment discrimination investigations unit, we investigate the claim.

Federal guidelines for investigating these cases provide a filing window of 300 days following the event. It can take a long time to investigate a claim not immediately filed. Instead, the individual comes forward months later which requires us to dig in to figure out what is going on. I can provide some statistics for context. During 2022, we had 93 complaints filed in our electronic system. Of those, 59 were investigated, 6 were substantiated and 53 were unsubstantiated.

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The balance between those filed versus those investigated involve employees that may have filed a complaint through the wrong channel. They may have had a grievance that needed to go through the NAC 284 process or the CBA process, or perhaps it was a complaint alleging something we are not able to investigate and find a nexus within Title VII. For example, we received several hostile work environment complaints for carrying out the Governor's COVID-19 mandates for vaccination and testing.

We can address the complaints that come in. The DHRM is trying to move to a more generalist mode, meaning our analyst group can do whatever task we need. This will allow us to move those resources where we need them more fluidly rather than having a siloed structure where teams only focus on one area. We want to develop more robust employees, so they are aware of what is happening in the DHRM and know how to address issues. Our goal is to provide better service to employees, departments and divisions.

CHAIR NEAL:

I appreciate cross-training. It helps.

I want to revisit the grievance process. I understand policy permits employees to file via Nevada Equal Rights Commission (NERC) or with your unit. Do you know how many file using NERC?

Ms. BOWSMITH:

I do not know the number of claims that go directly to NERC versus coming to us.

CHAIR NEAL:

Regarding the recruitment piece you mentioned and Slide 16 of [Exhibit C](#), how much will the compensation program update and overhaul of the State compensation system cost?

Ms. BOWSMITH:

I do not have a figure at this time. I estimate the compensation study cost and related updates at \$500,000. We are talking about 1,181 job classifications plus 13 pay policies including unclassified, classified and executive employee pay policies. It will take considerable effort and money, but I am confident this

is the direction the State needs to move in for us to be competitive as an employer. It is also the direction we need to move in to better serve our citizens and DHRM. We are a true internal service department, and it is our job to serve State employees and candidates for employment. We can do that better with an updated and overhauled system.

CHAIR NEAL:

Do you know the timeline for that? I assume some of the work is being done or will be done by the Simmons Group?

Ms. BOWSMITH:

We intend to use the Simmons Group to help us undertake the classification and compensation studies. Whether or not we need another party to help us is unknown. We need to have those conversations with the Simmons Group about what they can undertake and what resources they have available to help us with this. We are talking about 19,000 State positions. That is a large number of people, many positions and much analysis work on how we need to make changes in the allotted time.

We have been talking internally about a phased approach. We would start with certain occupational groups, phase in classification changes, then phase in potential compensation changes. That will require us to come back before the IFC to get such things approved. We are leaning towards a phased approach because, by the time we get to FY 2024-2025, we will have a good idea of where we need to go and how we need to move people for the next biennium.

CHAIR NEAL:

Using this phased-in approach, do you plan to phase in occupations based on the Simmons Group study or the position's barriers? I do not understand how you are prioritizing the phases.

I am curious about the actual barriers shared by the employees who showed up to the workshop. It would make sense if that was what your approach was based on because it is more than just compensation and classification. It is also about how to bring people in the door and then examining why they could not get in. Whether is it because the compensation is horrible or not agreeing with the classification.

That barrier weighs on my mind because it is about who needs what the most. How would you create a plan to phase in groups? How would you select those occupations? How does the barrier conversation fit into it? Can you give me an example of barriers that you know exist that fall into that three-part analysis I am asking for?

MR. ROBB:

We are looking at occupations such as frontline people at DMV, frontline people at PEBP and frontline people at other agencies. They all have similar job duties but are not paid the same. When the DMV hires someone, the person will stay for a little while before figuring out that PEBP has a similar job that pays more. We are using some agencies as a recruitment tool for other agencies, making it difficult to fully staff all agencies because people are continually moving through the system.

We would be much more efficient if everybody was paid the same wage for the same type of work. That way you can bring them in and have them advance up through that agency instead of jumping around agencies and being in a continual learning mode.

MS. BOWSMITH:

What we find is that the model of evaluation of candidates historically used in Nevada by the DHRM, departments' and divisions' HR staff is very constraining and rigid. This is one of the barriers we found and are trying to address. This also goes back to HR certification. We are working on training consistency in education evaluation.

Many of our job classifications, especially the professional ones, have a minimum qualification requirement of a bachelor's degree, a specified amount of a designated program work-study or a certain amount of professional service in a similarly situated job function. The classification may list an aggregate of those things. We do not have a good measure of what the aggregate should look like to pass people through who may not have a bachelor's degree but have the talent, ability, knowledge and skills to do the job we need them to do. Perhaps they are being denied automatically at the first line because they do not have that degree. We are not applying consistently what that aggregate

experience looks like. That is a tangible example of what we know is occurring and are trying to address.

We need to decide which occupational groups go first. This is a conversation we need to have with the Simmons Group as we move forward in the phases of this process. My idea would be to first look at high-demand occupational groups related to public safety because it is a big concern for everyone. Using this as an example, I would propose evaluating the job classifications and compensation structure of our 13,000 series sworn law enforcement officers. Then our 12,000 and 11,000 series professional healthcare staff and nonlicensed healthcare staff. This would include mental health technicians, nurses and similar kinds of jobs because we are not competitive in those job classifications and are suffering as a result. We are losing people who can absolutely do the job but are not being selected due to an antiquated minimum qualifications evaluation system.

CHAIR NEAL:

I like that you have a plan, and you are thinking through those groupings. You do not want to ask for money, only to have to come back and ask for an additional \$500,000 for should have, would have, or could have issues, only for us to pull the purse strings back because we have no idea what the State will look like financially. Planning based on need and tying it into the high-demand occupations the State needs to engage in to advance pay and fill vacancies makes sense.

We will take questions regarding the Mail Services budget.

SENATOR HARRIS:

My question is about ownership versus leasing new equipment for Mail Services. Was an analysis done to determine whether this leasing is a more efficient model versus purchasing?

MR. TUMA:

We need to consider a hybrid model moving forward, with some equipment being leased and some owned. It is what we are currently doing because some things are cheaper to own depending on the funding source. During the pandemic, we used some Coronavirus Relief Fund monies that went to the IFC

to purchase a piece of equipment. That was something ratepayers did not have to pay. We will own that piece of equipment going forward.

Some smaller items are good to own, some items are good to lease. Leasing ensures you do not have dilapidated equipment because you get a constant update on a three- or five-year term. Some equipment we own was purchased for a minimal amount at the end of the lease term. That is why we have decision unit E-251 in B/A 713-1346, to catch up and begin the transfer of depreciation for equipment that we own. This provides us a plan for replacing that equipment without having to raise rates. This means we can maintain a more stable per equipment purchasing or leasing rate level moving forward.

During the pandemic, we realized the Mail Services room was antiquated. It was failing to meet expectations for building infrastructure, equipment, personnel and support. We have been trying to address all of those problems as soon as we can through normal processes.

I know the money committees will be presented with several CIP projects. One of those is a new mailroom because the infrastructure and pieces of equipment in it are antiquated. Even if we wanted to purchase them, our facility will not support them due to inadequate electrical infrastructure and spatial constraints. Only certain things can be updated now. We are moving forward as quickly as we can. We are making decisions based on the best long-term financial interest for ratepayers and the State.

SENATOR HARRIS:

Are you analyzing on a piece-by-piece basis and seeing where we can benefit by leasing versus purchasing?

MR. TUMA:

Yes, that is our approach before we choose to lease or purchase as we replace equipment. We would revisit any change or departure from our budget during a future legislative session. We have presented some changes to mailroom operations to the IFC in the last two years. This Session we are presenting some requested equipment along with any changes to leasing or leasing costs.

MR. GAST:

I want to elaborate on the analysis and what has been done to date. We met with multiple vendors regarding best practices for our workload. The vendors informed us our machines are dilapidated because of the amount of mail going through them. The vendors recommended we replace high-volume machines on three- to five-year terms.

The difference between leasing and buying mailing service equipment outright has to do with the wide range of equipment required to do the job. The associated costs fluctuate depending on the type of equipment you have. A paper jogger can handle approximately 800 to 1,000 sheets, but that particular piece of equipment may not be worth leasing or the maintenance agreements. Smaller things like pressure sealer machines range from \$10,000 to \$12,000. Tabletop inserters are around \$40,000 to \$45,000. We have to look at what is cost-efficient and whether it is beneficial to purchase or lease.

Costs related to maintenance agreements for the mailing industry typically go up 3 to 5 percent annually. There is a threshold where that option is no longer beneficial. That does not exist with a lease. Some mail services equipment is under maintenance agreements for 15 years, and with gradually increasing costs, it becomes less practical to continue using that model. You are dealing with old equipment without the latest technological advances. With a lease, we can replace a machine with a newer one at the end of the term.

An analysis was done. We have had lengthy discussions with every State-approved vendor. It is a narrow field of equipment options, but we have looked at them all as far as equipment. Our existing building places spatial constraints on the type of equipment we can purchase. We do not have room to add major production equipment. We are working within those confines to get a machine that can fit and help us complete our obligations to our customers.

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CHAIR NEAL:

Seeing no public comment, we are adjourned at 9:29 a.m.

RESPECTFULLY SUBMITTED:

Michelle Friedlander,
Committee Secretary

APPROVED BY:

Senator Dina Neal, Chair

DATE: _____

Assemblywoman Sarah Peters, Chair

DATE: _____

EXHIBIT SUMMARY				
Bill	Exhibit Letter	Introduced on Minute Report Page No.	Witness / Entity	Description
	A	1		Agenda
	B	1		Attendance Roster
	C	2	Jack Robb, Nevada Department of Administration	2023-2025 Governor's Request; Department of Administration Presentation